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Rec'd by
e mail
9/23/08
ME0370043

September 15, 2008

Mr. Frank Filas
Environmental Manager
Energy Fuels Resources
44 Union Blvd., Suite 600
Lakewood, CO 80228

Dear Mr. Filas:

Subject: Construction Permit for Energy Queen Mine Water Treatment System

On August 12, 2008, the Division of Water Quality (DWQ) received a submittal titled *Construction Specifications, Energy Queen Mine* with a transmittal letter from Thomas Chapel of Tetra Tech. The submittal was prepared by Tetra Tech for Energy Fuels Resources to construct a water treatment system associated with the re-opening of the Energy Queen Mine (previously named the Hecla Shaft). The scope of work outlined in the construction specifications includes the following primary tasks associated with the construction of the Energy Queen Water Treatment System:

- Construction of an untreated water pond with a double flexible membrane liner with leak detection;
- Inspection and repair of the existing lined pond (Contingency Pond);
- Construction of a concrete slab-on-grade filter pad;
- Construction of foundations and floor slab for an addition to the water treatment building;
- Grading of the ore pad; and
- Minor appurtenant construction.

The plans and specifications, as submitted, comply with *the Utah Water Quality Rules, (R317, Utah Administrative Code)*. A **Construction Permit** is hereby issued as constituted by this letter, subject to the following conditions:

1. *Any revisions or modifications to the approved plans and specifications must be submitted to the Division of Water Quality (DWQ) for review and approval, before construction or implementation thereof.*

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Please submit any changes for review and approval directly to Woodrow Campbell of my staff.

2. *A written operations and maintenance document, containing a description of the functioning of the facilities, an outline of routine maintenance procedures, and all checklists and maintenance logs needed for proper operation of the system, must be submitted to DWQ and approved before the final inspection and operation of the system.*
3. *The approved facilities must not be placed in service unless DWQ has made a final inspection, and has authorized, in writing, to place the constructed facilities in service.*

This Construction Permit will expire one year from the date of its issuance, as indicated by the date of this letter, unless substantial progress is made in constructing the approved facilities or the plans and specifications have been resubmitted and the construction permit is reissued. This permit does not relieve you, in any way, of your obligations to comply with other applicable local requirements.

A set of approved plans and specifications is returned herewith bearing an imprint of our construction permit stamp. The stamped set must be kept available for examination and inspections to be conducted by DWQ, or for resolution of any conflicts or discrepancies that may arise during construction or installation. Please advise us of the beginning of construction to enable us to schedule periodic inspections.

An As-Built Certification Report must be submitted to the Executive Secretary upon completion of the project with test results for following construction quality assurance and quality control (CQA/QC) elements:

- Proctor Curves
- Soil Classification
- Field Compaction Testing
- Sub Grade Acceptance Certification
- Panel Placement Log
- Trial Seam Test Log
- Seaming Record
- Seam Test Record
- Repair Log
- As-Built Drawing
- Manufacturer's Certification including QA/QC Testing of the Rolls
- Professional Engineer Certification

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Upon completion of the project, the submitted As-Built Certification Report will be reviewed and a final inspection will be completed before the approval to operate the facilities is issued.

The former barium chloride treatment system and lined pond were approved and operated under Ground Water Discharge Permit UGW370002 from September 1992 to December 1993. The former owner allowed the permit to lapse in 1999. Energy Fuels Resources Corporation will need to obtain a new Ground Water Discharge Permit prior to operating the proposed water treatment system. A list of application requirements for a Ground Water Discharge Permit can be found in R317-6-6.3 of the Administrative Rules for Ground Water Quality Protection at the following internet link: <http://www.rules.utah.gov/publicat/code/r317/r317-006.htm#T6>.

If you have any questions regarding this Construction Permit, please contact Mr. Woodrow Campbell of my staff at wwcampbell@utah.gov or (801) 538-6067. For questions regarding the Ground Water Discharge Permit, please contact Rob Herbert at (801) 538-6038.

Sincerely,

Utah Water Quality Board



Walter L. Baker, P.E.
Executive Secretary

WLB:RFH/wwc

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